

State Dept., OSD reviews completed

CONFIDENTIAL

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GENERAL

- 1. Attlee's proposed speech on Falestine--Byrnes has informed the President that Attlee's speech to Parliament on Wednesday in favor of the recently concluded plan for Palestine will express only UK approval rather than approval by both UK and US (see Daily Summary of 29 July, item 1). Byrnes has been assured by Attlee that consultations with the Jews and Arabs will be "expedited to the utmost" and believes that the UK can reach its decision not later than 15 September.
- 2. Anglo-Egyptian disagreements persist -- US Legation Cairo reports that Anglo-Egyptian treaty negotiations are again stalled by disagreement on (a) provisions for British intervention in Egypt in the event of third-power aggression in the Near East, (b) the date for complete evacuation of British troops, and (c) the future relationship between Egypt and the Sudan. The Egyptian Prime Minister has unofficially told the British delegation that the latest British note is unsatisfactory. The British feel that Egypt, because of internal political difficulties, is unable to adjust its position to meet British demands and is being "completely unrealistic."
- 3. Slight reduction of Soviet troops in Europe--General McNarney reports a slight reduction in total Soviet troop strength in Europe during the past week. The Red Army has continued its withdrawals from Austria and Hungary while its strength in northern Europe remains "fairly stable."
- 4. British attitude toward Soviet Republics -- According to Embassy London, a British Foreign Office official charged with Soviet matters regards the reported presence in the Soviet Peace Conference delegation of the Estonian, Latvian, and Lithuanian SSR Foreign Ministers as a "thin entering wedge which must be observed and countered." The same official further stated that the British are giving serious consideration to opening diplomatic missions in the Ukraine and V'hite Russian SSRs as a logical conclusion to their membership in the UN.
- 5. Soviet position on admission of neutrals to UN--Gromyko has unofficially informed Herschel Johnson, during a conversation on the admission of neutral states to the UN, that the USSR may carry its support of the Albanian and Outer Mongolian applications to the point of making their acceptance a condition for Soviet agreement to the admission of Western European neutrals. When Johnson reminded him of his previous assurances

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that every case would be judged on its own merits Gromyko laughingly admitted the "political" implications of the Soviet attitude.

6. Swedes to permit arms export to Argentina—Legation Stockholm reports that Sweden has now decided to permit arms exports to Argentina (see Daily Summary of 13 June, item 13). Sweden feels that Argentina is no longer "dangerous to peace" and should be free to decide what type of armament it wants.

### **EUROPE-AFRICA**

- 7. GREECE: Leftists ask US intervention—US Ambassador MacVeagh in Athens has received from the EAM (the Communist-led leftist coalition) an appeal for US intervention in Greece under the Yalta Agreement. The appeal states that "thousands of democrats" are being arrested or driven into the hills, and that the Government's drastic measures for the King's restoration have brought Greece to the verge of civil war. MacVeagh comments that, while the present Royalist Government secured control on the strength of popular reaction against Communist excesses, the Government's present measures for "law and order" are in the hands of "unscrupulous reactionaries."
- 8. ALBANIA: Deportation of political prisoners—US Political Representative Jacobs at Tirana has been reliably informed that all Albanian political prisoners are being sent to Yugoslavia or to Siberia as prisoner-laborers.
- 9. BULGARIA: Continued arrests of US employees—General Robertson, US Representative ACC Bulgaria, reports that US prestige in Sofia is at an "all time low" as a result of a further arrest of an employee of the US Mission. Fifteen employees of the Mission have informed Robertson that they must leave US employ unless he can afford them better protection. Robertson states that local US protests, in the face of tacit Soviet sanction of these arrests, "have ceased to have any effect."
- 10. HUNGARY: Peace delegation to avoid reparations issue--The US Representative ACC Hungary has learned from a reliable source that Foreign Minister Gyongyosi, chief of the Hungarian Delegation to the Peace Conference, has instructed his delegation not to raise the question of Hungarian

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reparations at the Conference. These instructions were issued after Gyongyosi had conferred with Soviet General Sviridov, Acting Chairman ACC.

- 11. FRANCE: De Gaulle's emphasis on "western bloc"--Caffery reports that De Gaulle, according to his entourage, considered his proposal for the creation of a western bloc as the "most sensational development" of his speech on 28 July.
- 12. SPAIN: Attitude toward USSR apparently unchanged—US Charge Bonsal reports that a careful examination of the Spanish press fails to reveal any change in Spain's attitude toward the USSR. (Recent reports have suggested a Spanish-Soviet rapprochement, particularly with reference to trade.)

#### FAR EAST

13. SIAM: Opposition to Court handling of border dispute--US Minister Stanton believes that the Siamese oppose referring the Indochina-Siam border dispute to the International Court, on the ground that the Court would consider only legal issues and ignore political and other factors.

### THE AMERICAS

14. BOLIVIA: Progress of new regime—US Ambassador Flack reports that the Ministries and municipal offices of the new governing Junta are slowly beginning to function. Security arrangements are still unsatisfactory but are improving. The Junta has appealed to the mine workers for cooperation, and has promised that gains under the Villarroel regime will not be annulled (see Daily Summary of 29 July, item 15). Flack attributes the achievement of order to the intelligence and goodwill of the student revolutionaries rather than to previous planning.

Venezuela accords recognition—US Ambassador Corrigan reports that the Venezuelan Government has announced the immediate recognition of the provisional government of Bolivia as representing "the democratic feeling of the people of Bolivia."